

OFFICIAL

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(LONG-TERM-CARE FACILITIES)

E. Adjustments

If the results of an appeal require a change in a provider's rate, the change will be effected through:

1. A gross adjustment of the payments previously made at the incorrect rate; and
2. Appropriate adjustments and correction of the prospective rate

90-34
HCF 4.179 # 87-14 Date Rec'd 12/28/90
Supervisors 259 Date Appr. 3-27-92
10/1/90

Revised 10/1/90

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(LONG-TERM-CARE FACILITIES)

IX. Overpayments

Overpayments which have been made to individual providers will be assessed against, and recovered from, providers consistent with 42 CFR Section 447.

HCFA-179 90-34 Date Rec'd 12/28/90
Supersedes 86-4 Date Appr. 3-27-92
89 10/1/90

Revised 10/1/90

SUMMARY OF AMENDMENT

<u>Section:</u>	<u>Change and Comment</u>
III.D.	<p>The definition of Medicaid cost per patient day has been simplified. The single State agency's new cost reporting forms have resolved the problems associated with the cost allocation process existing in facilities that had separately identified distinct-part SNF's, where Medicare patients were concentrated to gain reimbursement advantages. Therefore, the issue this section was originally meant to address is now mute. This change will have no effect on reimbursement in any facility and is hence considered insignificant.</p>
IV.	<p>A sentence has been inserted in the opening paragraph to clarify that rates are normally determined on a provider's fiscal year basis and are not effected by quarterly updates of rate-setting parameters. The agency considers this an insignificant plan edit.</p> <p>The phrase "except as modified by Section III of this plan," has been deleted. This change is to remove the additional state imposed modifications to allowable costs, which the agency believes are not appropriate for the ICF/MR class of facilities. The only modification in Section III, the removal of which could have a significant effect on ICF/MR facilities, is the Section N requirement which imposes a minimum occupancy level when determining per patient day costs. The agency believes this particular restriction is not appropriate for either the large ICF/MR facilities where the effort to deinstitutionalize patients has reduced occupancy rates or the small (6 to 8 bed) ICF/MR AIS homes that are in the process of beginning operations and attainment of occupancy.</p>

ICFA-179 # 86-4 Date Rec'd 6/30/86
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Date Rep. In. _____ Date Eff. 4/1/86

SUMMARY OF AMENDMENT

Section:

Change and Comment

IV. A.3.

The word "may" has been replaced with the word "will" in the sentence referring to leased photocopiers, postage meters and telephone system. The agency never intended to allow providers an option as to how these specific assets would be treated. Hence, this is not considered to be a policy change and will not have a significant effect on reimbursement at any facility.

IV.A.4.b.1.

A new second paragraph has been added to this section to clarify the State's policy with regard to acceptable information upon which to base the determination of current asset values and with regard to assets which are replaced, renovated or improved and are no longer in use. The restrictions on the information to be used in the determination of initial historical acquisition costs do not have an effect on the agency's desire to make an appropriate determination of initial acquisition cost and current asset values. The clarification with regard to the asset values which the Program will and will not use as a basis for payments also does not effect the agency's desire to make an appropriate determination of current asset value. Neither clarification should be viewed as a significant change requiring agency findings or assurances.

The word "may" in the second sentence of the former second paragraph has been replaced with the word "will". Again this change has been made to remove any unintended possibility of provider options and is not viewed by the agency as a significant change.

IV.A.4.b.2&3

The words "building improvements" have been added in these sections to clarify that such assets are handled as part of "building" assets. The agency considers this a plan edit, not a policy change and is not significant.

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SUMMARY OF AMENDMENT

Section:

Change and Comment

- IV.B.1. The words "pre-September, 1973 undisclosed rent and" and have been replaced with "recognized" because allowable lease costs are defined in Section III and these words were felt to be redundant. The agency considers this an insignificant plan edit.
- IV.B.4.c,d&e The references to "Section IV.B.3.a." and "Section IV.B.3.b." have been corrected to "Section IV.B.4.a." and "Section IV.B.4.b." respectively. The agency considers this an insignificant plan edit.
- IV.C.3.b.2. The words "nursing care beds in the facility or nursing care complex" have been added to this section to clarify the types of beds to be considered in the bed size groups. The agency considers this an insignificant plan edit.
- IV.C.3.d.2. The first sentence of this section has been modified to clarify the calculation of the skilled and intermediate variable cost limits. This insignificant plan edit is made at the request of HCFA in the August 19th letter from Ms. Stec.
- A sentence defining "Medicaid per patient day variable costs" has been added to the section to specify agency policy that may have been unclear before. The agency believes it has the discretion to add this reasonable definition which will not have a significant effect on provider reimbursement relative to other definitions that could have been specified.
- IV.C.3.d.3. The acronym "VCL" has been replaced with the words "80th percentile" to correctly specify the agency's intent in defining the skilled VCL and eliminate the tautology. This insignificant plan edit is made at the request of HCFA in the August 19th letter from Ms. Stec.

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SUMMARY OF AMENDMENT

<u>Section:</u>	<u>Change and Comment</u>
IV.C.3.d.5.	The word "dollar" has been added before the word "differential" in three places in the paragraph to distinguish the "skilled and intermediate care differentials" from the statistically determined statewide "dollar differential" between the per patient day variable cost of purely skilled and purely intermediate care patient days. This insignificant plan edit is made at the request of HCFA in the August 19th letter from Ms. Stec.
IV.C.4.c.1.	The words "Class II" have been replaced with "class" to correct an error. This is not a change from the intended policy which was published in the agency's publications of this policy. Thus, the change should be considered an insignificant plan edit.
IV.D.1.	The word "provider" has been inserted to specify whose base cost component is being referenced. This is also another insignificant plan edit.
IV.E.2.	The CFR citations for Intermediate Care Facilities on page 25 have been corrected from the obsolete "249.12" to the current "442.343." This is an insignificant plan edit.
IX.	This section on the recovery of overpayments was mistakenly omitted from our State Plan effective April 1, 1985. As the section is required by federal mandate, we are reinserting the section. Inasmuch as the agency has maintained the former policy in effect, this change is viewed as insignificant.

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